



INSIGHTS

108th Congress

June 16, 2003

*Also available on the FEMP Home Page at
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[Weekly Summary](#)

[Committee Activity](#)

[House](#) [Senate](#)

[New Legislation](#)

[Status of FY 2004
Appropriations Bills](#)

[Administration
Initiatives](#)

[Hearings Schedule](#)

INSIGHTS is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of ***INSIGHTS*** is to provide FEMP management staff with timely information on legislative activities relevant to the program. ***INSIGHTS*** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

I. WEEKLY SUMMARY

CONGRESSIONAL SCHEDULE

House

This week, House activities include the following topics of interest:

- Committee on Appropriations will mark up *H.R. ___ - FY 2004 Appropriations for Military Construction*.
- Subcommittee on Agriculture, Food and Drug Administration, and Related Agencies (Committee on Appropriations) will mark up *H.R. ___ - FY 2004 Appropriations for Agriculture, Food and Drug Administration, and Related Agencies*.
- Subcommittee on Interior and Related Agencies (Committee on Appropriations) will mark up *H.R. ___ - FY 2004 Appropriations for Department of Interior and Related Agencies (includes the Department of Energy's energy efficiency programs)*.

Senate

This week, Senate activities include the following topics of interest:

- Committee on Governmental Affairs will hold a hearing to examine the need for Federal real property reform, focusing on deteriorating buildings and wasted opportunities.

Conference Committees/Votes

No activities of interest are scheduled for this week.

[Back to Table of Contents](#)

II. COMMITTEE ACTIVITY

HOUSE

Hearings

Natural Gas Forecast On June 10, the Committee on Energy and Commerce heard testimony on the outlook for natural gas prices over the next year. Panelists included Federal Reserve Chairman, Alan Greenspan; Administrator of the Energy Information Administration (EIA), Guy Caruso; and representatives from various energy and consumer groups. According to Mr. Greenspan, high natural gas prices may last into next year because the U.S. gas market cannot draw from international supplies to satisfy increased domestic demand. He recommended a "major expansion" of U.S. imports of liquefied natural gas (LNG) to provide "a crucial safety valve" if domestic supplies become strained. Imports of LNG would satisfy increased consumer demand for environmentally friendly fuels. He said, "We cannot

... encourage the use of environmentally desirable natural gas in this country while being conflicted on larger imports of LNG...Such contradictions are resolved only by debilitating spikes in price." Other alternatives for increasing domestic gas supply include removing regulatory barriers to natural gas exploration and development and providing industry with greater access to gas reserves on Federal lands. The EIA forecasts extremely short supplies of stored natural gas – currently at 623 billion cubic feet, the lowest supply since the Federal Government began recording levels in 1976. The shortage is expected to result in high prices for the remainder of this year and throughout 2004. Mr. Caruso cautioned industry, which relies heavily on power produced by natural gas, to prepare for significant price increases in the near future.

Legislation

Veterans' Health Care Facilities Improvement On June 11, the Subcommittee on Health (Committee on Veterans' Affairs) heard testimony from representatives of veterans' organizations including the American Legion, AMVETS, Disabled American Veterans, as well as the Department's Under Secretary for Health, Robert Roswell. Panelists agreed that facility improvement bills recently introduced for the Department of Veterans' Affairs (VA), such as *H.R. 1720 - Veterans Health Care Facilities Capital Improvement Act*; *H.R. 116 - Veterans' New Fitzsimons Health Care Facilities Act of 200*; *H.R. 2307- Providing for the establishment of new VA medical facilities for veterans in Columbus, Ohio and south Texas*; and *H.R. 2349 - Authorizing certain major medical facility projects for VA*, will address the immediate construction needs of the Department's health care facilities. Under Secretary Roswell said that the VA generally supports provisions of each bill, however, the agency supports lease authorizations rather than new facility construction projects at certain sites because a lease can be procured sooner than construction and will reduce required initial funding. Mr. Roswell asked the committee to consider authorizing additional construction and facility improvement projects in Palo Alto, San Francisco, and West Los Angeles, California that were listed in the President's FY 2003 Budget Request. In May 2002, VA's Office of Facilities Management completed assessments on 3,150 buildings, revealing that an estimated \$4.5 billion in improvement costs is necessary to modernize the VA facilities. Richard Jones of Amvets pointed out that "improvements to these facilities will eventually pay for themselves through future savings as the entirety of VA facilities are modernized."

SENATE

Legislation

S.14 - Energy Policy Act of 2003 Last week, the Senate approved the following amendments on *S. 14*:

- ***Amendment 867*** – Requires DOE to submit a report to Congress every three years, detailing the impact of increased hydrogen use on natural gas demand. The amendment was sponsored by Jeff Bingaman (D/NM), Ranking Minority Member of the Committee on Energy and Natural Resources.
- ***Amendment 865 – Hydrogen Commercialization Plan***, which amends Sec. 825 of *S. 14*. The amendment directs DOE to include in the plan, a description of the Department's hydrogen activities, including a research, development, demonstration, and commercial applications program for developing technologies to support the production and deployment of: (1) 100,000 hydrogen-fueled fuel cell vehicles in the United States by 2010, and (2) 2.5 million hydrogen-fueled fuel cell vehicles by 2020, and annually thereafter. The amendment also directs the sale of hydrogen at a "sufficient number" of fuels stations nationwide by 2010 and 2020. Annual budget reviews are to include a progress report on achievement of goals. The amendment was introduced by Byron Dorgan (D/ND),

Ranking Minority Member of the Subcommittee on Interior and Related Agencies (Committee on Appropriations)

- **Amendment 871** – Intended to reduce United States dependence on imported petroleum, the amendment states:

Not later than 1 year after the date of enactment of this Act, the President shall develop and implement measures to conserve petroleum in end-uses throughout the economy of the United States sufficient to reduce total demand for petroleum in the United States by 1,000,000 barrels per day from the amount projected for calendar year 2013 in the reference case contained in the report of the Energy Information Administration entitled “Annual Energy Outlook 2003.”

The amendment, which allows the President to determine how to save 1 million barrels of oil per day, was introduced by Mary Landrieu (D/LA), a member of the Committees on Appropriations and Energy and Natural Resources.

- **Amendment 880** – Requires DOE to submit a report on natural gas supplies and demand, including recommendations on how to provide residential consumers with reasonable and stable rates, develop domestic natural gas manufacturing and commercial enterprises, and facilitate the attainment of natural ambient air quality standards under the *Clean Air Act*. The amendment was introduced by Lamar Alexander (R/LA), a member of the Committee on Energy and Natural Resources.

The Senate also agreed last week to limit the number of amendments to be introduced on the floor to 375. Among these “First Degree” amendments that were accepted by the leadership, no details regarding the text of the provisions are expected to be available until the amendments are introduced in July. Several of the amendments should be of interest to readers of *INSIGHTS*:

- [Energy Savings Performance Contracts](#) - Jeff Bingaman (D/NM) and Evan Bayh (D/IN)
- Market-Based Electric Rates - Bingaman (D/NM) and Bayh (D/IN)
- “Strike” and submit a substitute for the Electricity Title (separate amendments) - Bingaman (D/NM)
- Renewable Portfolio Standard - Bingaman (D/NM) and Bayh (D/IN)
- Renewable Electricity - Breaux (D/LA), Byrd (D/WV), Cantwell (D/WA)
- Renewables - Corzine (D/NJ)
- Renewable Hydrogen - Graham (D/FL) and Harkin (D/IA)
- Electricity: Renewables, Net Metering, Efficiency (separate amendments) - Jeffords (I/VT)

This “unanimous” agreement was designed to expedite consideration and a vote on *S. 14*. The bill has been put aside until after the July Fourth recess to consider other pressing legislation such as Medicare. The Senate is expected to resume consideration of *S. 14* the Week of July 7 and plans to complete work on the bill within one week. Democratic members have suggested that more than a week will be required to consider the pending amendments and complete a vote on the bill. Controversial issues remaining to

be considered include electric utility restructuring, climate change, Corporate Average Fuel Economy Standards, energy tax incentives, among other topics.

[Back to Table of Contents](#)

III. STATUS OF FY 2004 APPROPRIATIONS BILLS

(In Millions)

HOUSE

SENATE

<i>Jurisdiction/ FY 2004 Budget Request</i>	<i>302(b) Allocations / Approved Funding Level</i>	<i>Bill No.</i>	<i>Full Cmte.</i>	<i>Floor</i>	<i>Conf.</i>	<i>302(b) Allocations /Approved Funding Level</i>	<i>Bill No.</i>	<i>Full Cmte.</i>	<i>Floor</i>	<i>Conf.</i>
Agriculture 17,141	17,005									
Commerce 37,685	37,914									
Defense 371,698	368,662									
Energy and Water Development 26,946	27,080									
Interior 19,552	19,627									
Labor / HHS 137,990	138,046									
Military Construction 9,237	9,196									
Transportation and Treasury 27,802	27,502									
VA/HUD 89,434	90,034									

[Back to Table of Contents](#)

IV. NEW LEGISLATION

(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)

See detailed provisions for all bills at: thomas.loc.gov

HOUSE

Number	Short title	Date	Sponsor	Status
H.R. 2382	<i>Transit in parks Act</i>	6/5/03	Nick Rahall (D/WV)	Referred to the Committee on Resources
	Amends title 49, US Code, related to improving transportation in National Parks. The program encourages and promotes development of transportation systems of National Park system to improve visitor mobility and enjoyment, reduce pollution and congestion, and enhance resource protection through use of transit.			

SENATE

There are no bills of interest to report.

[Back to Table of Contents](#)

V. ADMINISTRATION INITIATIVES

There are no initiatives of interest to report.

[Back to Table of Contents](#)

VI. HEARINGS SCHEDULE

HOUSE – COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
June 17 – Full Committee	Bill Young (R/FL)	Markup – FY 2004	N/A	10:00 a.m. Room 2359 Rayburn Office
(NEW)		Appropriations for Military Construction		Building
June 17 –	Henry	Markup –	N/A	3:00 p.m.

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
Subcommittee on Agriculture <i>(NEW)</i>	Bonilla (R/TX)	FY 2004 Appropriations for Department of Agriculture, Food and Drug Administration, and Related Agencies		Room 2359 Rayburn Office Building
<i>June 18 –</i> Subcommittee on Interior <i>(NEW)</i>	Charles Taylor (R/NC)	<i>Markup –</i> FY 2004 Appropriations for Department of Interior and Related Agencies (includes the Department of Energy's energy efficiency programs)	N/A	Time TBA Room B308 Rayburn Office Building

HOUSE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
<i>June 19 –</i> Subcommittee on Energy and Mineral Resources (Committee on Resources) <i>(NEW)</i>	Richard Pombo (R/CA)	<i>Hearing –</i> “The Domestic Natural Gas Supply Shortage” focusing on domestic economic implications including price fluctuations and national security.	<u>Panel 1</u> Michelle Michot Foss, Energy Institute at University of Houston Steve Brown, Federal Reserve, Dallas Ed Kelly, Wood Mackenzie Global Consultants <u>Panel 2</u> Al Christopherson, Minnesota Farm Bureau Federation Cal Jones, Wyoming Sugar Co. Bill Jewell, Houston Dow Center	10:00 a.m. Room 1324 Longworth Office Building

SENATE – COMMITTEE ON APPROPRIATIONS

No hearings of interest to report.

SENATE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
June 26 – Committee on Governmental Affairs	Susan Collins (R/ME)	Hearing – Examination of the need for Federal real property reform, focusing on deteriorating buildings and wasted opportunities	TBA	9:30 a.m. Room 342 Dirksen Office Building

CONFERENCE COMMITTEE NEGOTIATIONS/FLOOR VOTES

Date and Action Item	Topic	Location
Week of July 7 (bill is put on hold to address other pressing legislative issues)	Floor Consideration and Voting – S. 14 – Energy Policy Act of 2003 proposed amendments	U.S. Capitol

[Back to Table of Contents](#)